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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35881]

South Carolina Division of Public Railways d/b/a Palmetto Railways—Change in
Operators Exemption—North Charleston Terminal Company

South Carolina Division of Public Railways d/b/a Palmetto Railways (Palmetto), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to assume operation of rail trackage, known as the Cosgrove Yard, consisting of approximately 9.3 miles of track on 20.17 acres of property north of Interstate 526 in North Charleston, S.C. Palmetto states that the Cosgrove Yard is currently leased to North Charleston Terminal Company (NCTC)¹ and operated by NCTC's owners, CSX Transportation, Inc. (CSXT) and Norfolk Southern Railway Company (NSR).

Palmetto notes that NCTC, CSXT, and NSR are finalizing and will shortly execute an agreement providing for the assignment of their respective common carrier interest in the Cosgrove Yard to Palmetto, which intends to assume its operation. As part of the proposed transaction, Palmetto states that NCTC, CSXT, and NSR will retain the right to use a portion of the Cosgrove Yard tracks for through movements to and over the track known as the TC Lead to continue to serve directly the Joint Base Charleston TC

¹ See N. Charleston Terminal—Lease Exemption—S.C. Div. of Public Rys., Cosgrove Yard, N. Charleston, S.C., FD 32691 (STB served June 5, 1996).

Dock rail yard operated by the U.S. Department of Defense in North Charleston, S.C.² Once the proposed transaction is consummated, Palmetto states that it will interchange traffic with both CSXT and NSR in the Cosgrove Yard. Furthermore, Palmetto states that the proposed change in operators at the Cosgrove Yard does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Palmetto certifies that its projected annual revenues as a result of this transaction will not result in Palmetto's becoming a Class II or Class I rail carrier. Palmetto has certified that it has complied with the posting and service requirements of 49 C.F.R. § 1150.42(e), which are required when the projected annual revenue of the rail lines to be operated exceeds \$5 million. In accordance with that section, the proposed transaction cannot be consummated before February 16, 2015, the effective date of the exemption.³

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than February 9, 2015 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35881, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas J.

² In addition, Palmetto notes that NCTC has agreed to lease to Palmetto a segment of a stub-ended side track south of the Cosgrove Yard, known as the River Track, for use as a switching lead.

³ Pursuant to 49 C.F.R. § 1150.42(b), Palmetto states that it has provided notice of the proposed change in operators to shippers on the Cosgrove Yard trackage.

Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

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Decided: January 26, 2015.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.